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COMMITTEE ON EDUCATION
February 27, 2006
LB 1119, 839, LR 253CA

The Committee on Education met at 1:30 p.m. on Monday, February 27, 2006, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB 1119, 839, and LR 253CA. Senators present: Ron Raikes, Chairperson; Dennis Byars, Vice Chairperson; Gwen Howard; Gail Kopplin; Ed Schrock; and Elaine Stuhr. Senators absent: Patrick Bourne and Vickie McDonald.

SENATOR RAIKES: Good afternoon and welcome to this hearing of the Education Committee of the Nebraska Legislature. We're happy you could be here today. Today, our last, I guess, formal hearing day of this session, we have a confirmation hearing and two legislative bills and one legislative resolution that we'll be hearing this afternoon. They're posted on the outside of the hearing room and they'll be heard in the order listed. To get started, let me introduce you to our committee. To my far right, Senator Pat Bourne from Omaha; Senator Gail Kopplin from Gretna is here; Senator Elaine Stuhr from Bradshaw will be here. This is Tammy Barry, our committee legal counsel. I'm Ron Raikes, District 25; Senator Dennis Byars from District 30, Beatrice, will be here. Senator McDonald, I don't think will be here. I think she's had trouble returning from a weekend venture. She is from St. Paul. Senator Gwen Howard is from Omaha. Senator Ed Schrock is from Elm Creek. And Kris Valentin is our committee clerk. The way we'll proceed today is customary. We'll have the introduction by the introducer, and following that, we'll have proponent, opponent, neutral testimony, and then a close by the introducer, if so desired. We will limit testifiers to three minutes, so please be aware of that. We've got a little light bank up there. Green light, you're good to go; yellow you're within a minute; and red, the three minutes are up. So, we do that to try to make the best use of your time and ours to hear as much testimony so in preparing your testimony, try to make it concise and bring in new points whenever that's possible. Please fill out one of the forms before you testify and throw it in the little box. And as you testify, please state and spell your last name for our transcriber, if you would. Other than that, turn off your cell phones, and I think we're ready to go. Our first item of business will be the confirmation hearing for James Strand, who is a reappointment to the Coordinated Commission

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for Postsecondary Education. Jim, are you still there?

CONFIRMATION HEARING ON
JAMES STRAND TO THE
COORDINATING COMMISSION FOR
POSTSECONDARY EDUCATION

JIM STRAND: (Exhibit 1) I am, Senators.

SENATOR RAIKES: Okay. Well, thank you for taking the time out today to be with us. You are located in another room in the capitol, right?

JIM STRAND: Actually, I'm a little further west than that. I'm in (inaudible), California.

SENATOR RAIKES: Oh, okay. All right, all right (laughter). So...

JIM STRAND: And I appreciate the opportunity to get before you today by telephone and talk to you.

SENATOR RAIKES: Okay. Well, thank you for being here. And let's start by your telling us a little bit about yourself and why you're interested in continuing your service on the coordinating commission.

JIM STRAND: Okay. I am retired from formerly Lincoln Telephone, now Alltel in Lincoln, Nebraska, and have been retired now for about five years. I have served on the Lied Center Advisory Board and currently still serve on the Hixon-Lied College of Fine Arts board of trustees, as well as an advisory board for the Peter Kiewit Institute for Science and Technology in Omaha, have been a graduate of the university system a couple of times, have been on the board of governors at Nebraska Wesleyan and actually resigned that position to begin my first term at the coordinating commission. So I've had a long-time interest in postsecondary education and have learned enough to just ask more questions than I have answers in the first couple of years serving as a commission member, and would like the opportunity to pursue some areas that I still have an interest and think represent needs in Nebraska if I'm reappointed.

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SENATOR RAIKES: Okay, thank you, Jim. Questions for Jim from the committee? Let me ask you, you mentioned a couple of areas that you tried to get some answers and maybe have but not as much as you'd like. What are they?

JIM STRAND: Well, yeah, the (inaudible) would have to do with delight that I had in seeing that the postsecondary education commission was looking at data having to do with high school graduation, the fact that it's falling off, the fact that our state's college system can become budget constrained because of fewer people entering the system. And yet the need to educate more of the populations that we've immigrated into our state in the last 10, 15 years that has caused much of the opportunity for economic growth in our state. And it just strikes me that finding ways to better educate those populations is going to have a lot to do with the way we continue to grow the economy for the next decade or so.

SENATOR RAIKES: Okay. Thank you...

JIM STRAND: That was not something I thought the commission would be involved in, and I do continue to ask the question, what other agencies in the state, are we sure we're not duplicating work for? But by nature of coordinating, I found the commission staff to be really superb at not assuming too much and making sure that they work with the other state agencies to (inaudible) duplication. And I told Marshall Hill that I think it's a great addition to the state of Nebraska as director to...but that's one of my biggest concerns is making sure we're not doing something that someone else could or should be doing.

SENATOR RAIKES: Okay, thank you, Jim. Senator Elaine Stuhr has a question for you.

SENATOR STUHR: Yes, Jim, I was just wondering, was your mother a teacher?

JIM STRAND: She was, yes, (laughter) and (inaudible) the school board in York, Nebraska.

SENATOR STUHR: (Laugh) Yes, and I think that she taught in one of the schools that I attended so...

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JIM STRAND: Okay.

SENATOR STUHR: ...I know that you have an education background.

JIM STRAND: I do. My brother was also a public school educator for all of his adult career life as well.

SENATOR STUHR: Thank you for your willingness to serve.

JIM STRAND: You're welcome.

SENATOR RAIKES: Any other questions for Jim? I don't see any, Jim. Let me add my thanks to the service already performed and the willingness to go forward. We much appreciate it.

JIM STRAND: You're very welcome.

SENATOR RAIKES: Okay, we'll move now to proponent testimony for this confirmation. Opponent testimony. Neutral testimony. Okay, that will close the confirmation hearing for James Strand, and we'll move on to LB 1119 and Senator Heidemann. Welcome back, Senator.

LB 1119

SENATOR HEIDEMANN: It's been a busy year in the Education Committee, I'm sure. Good afternoon, Chairman Raikes and members of the Education Committee. I am Senator Lavon Heidemann, H-e-i-d-e-m-a-n-n, representative of District 1. I'm here today to present LB 1119, which basically would delay the implementation of LB 126 passed in 2005. From here I'm going to deviate from my notes a little bit that Judy always makes up for me, and I'm just going to kind of wing this. We fought the good battle on our side last year on LB 126 and we lost, and I can accept that. This has nothing to do with LB 126 and I do not want to talk about that whatsoever. I accepted our defeat; the body spoke and I was, really, I mean, I did accept that. There was a group of people in the state of Nebraska that wasn't quite ready to go down that easy. And they successfully got this issue put on a ballot. They didn't get quite as many votes as

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some of them would have liked, but they got enough to put it on the ballot. And because of that, there's a lot of school districts in limbo. We got teachers not knowing if they're going to be there. We've got both on the K-12 and in the Class I's don't know how their budgets are going to be. There's just a lot of controversy, a lot of turmoil. And, for that reason, I'm bringing to you LB 1119, which would pretty much just delay the implementation of LB 126 for one year, basically and generally. I mean, there's a few things in it, but pretty much that's what it does. We're not trying to repeal it. All we're trying to do is give the people a chance to vote. And I think it's good old common Nebraska sense that we would allow them to give them that opportunity to devote. And then, hopefully, everybody and even...I mean, everybody needs to move on from there, whatever they decide. So, pretty much that's what we're trying to do here. It's pretty simple. I mean, for me it really is, and I guess you're going to have to take it and go from there, but that's what we're trying to do with LB 1119. If there's any questions, I'd sure try to answer them.

SENATOR RAIKES: Okay, questions for Senator Heidemann? By the way, if there's any implication that you went down easy last year, I would dispute that.

SENATOR HEIDEMANN: (Laugh)

SENATOR RAIKES: Any questions for...I don't see any, Senator. You plan to stick around for close?

SENATOR HEIDEMANN: If it doesn't get too long, I'll be here (laugh).

SENATOR RAIKES: Okay, well, speaking of which, how many people do we have to testify as proponents for LB 1119? One, two, three, four, five, six. Any opponents for LB 1119? Neutral testimony? Okay, we have six proponents. Let's begin. Mr. Hudkins.

LARRY HUDKINS: Good afternoon, Senator Raikes and members of the Education Committee. I'm Larry Hudkins, H-u-d-k-i-n-s, a member of the Lancaster County Farm Bureau, and I serve on the Nebraska Farm Bureau Federation state board of directors. I'm here today on behalf of the

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Nebraska Farm Bureau Federation in support of LB 1119. Much has been said and it is argued in regards to the merits of LB 126. It is not our intent to discuss those issues today. The ultimate decision on the merits will be made by the people of Nebraska. Nebraska Farm Bureau Federation supports LB 1119 because it would delay implementation of LB 126 until a vote can be taken in November. We support Senator Heidemann and the other senators for introducing this bill. Our fear is that without the delay, reorganization of the districts will already have occurred, which will create untold problems. For one, voters will be confused and uncertain as to the outcome of their votes and what their votes will mean. It may mean moving children from one school district to another and then back again and changing teachers around. Also, if districts are reorganized and the voters then decide to repeal LB 126, reestablishing districts will cause untold and unnecessary administrative and paperwork nightmares across the state. We believe that the simplest thing that could occur would be to delay implementation, let the people vote in November, and then move forward and respect the voters' decision. Once people have spoken, the necessary action can and will be taken regardless of the outcome. Just like to end on a personal note. Our earliest records in Lancaster County indicate the early settlers in Lancaster County organized a school under a cottonwood tree on the banks of Salt Creek in the spring of 1854, and this indicates the school was organized by local residents before the village of Lancaster, which is now Lincoln, or Lancaster County or the state of Nebraska were even organized.

SENATOR RAIKES: Okay, thanks for the historical tidbit as well. Any questions for Larry? Don't see any. Thanks for being here, Larry.

LARRY HUDKINS: Thank you.

SENATOR RAIKES: Dan.

DAN HONEYWELL: (Exhibit 2) Good afternoon, Senators. Chairman Raikes, members of the Education Committee, my name is Dan Honeywell, H-o-n-e-y-w-e-l-l. I am principal for the NEN Rural Schools Cooperative. I add my support to LB 1119 for three reasons. One, allow time for the democratic process to be completed; two, provide essential time for the

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transition between the Class I and K-12 school districts and, most importantly, provide teachers and students the opportunity to make the necessary adjustments. Allowing the delay of LB 126 permits the democratic process the opportunity to work. The reason for the petition process is to give the citizens a direct voice and method of changing the outcome when we think the Legislature got it wrong. And if you believe in this process, the committee should grant the necessary time to complete the process, meaning a vote on November ballot. And if the Legislature got LB 126 right, then there should be nothing for anyone to fear by allowing a vote of the people. The petition process and the direct vote by the citizens is the closest opportunity to free democracy in our representative form of government. LB 1119 provides for that opportunity by extending the effective date for one year. An additional year would help in creating a smoother transition. The misinformation, lack of cooperation between some districts, both K-12 and Class I's, the short time frame and lack of understanding at several levels could be lessened with an additional year of preparation. As an active principal, my primary concern with LB 1126 is the effect this bill has on teachers and students. In order to provide a quality education for our students, our teachers play a key role in any transition. I think the immediate effect of this transition on our students and teachers gets sidelined in the passions of controversy over LB 1126 (sic). The impact of LB 1126 (sic), if implemented in '06-'-07 on students and staff could have more negative results than we realize. Asking any teacher in any system to make wholesale changes will affect instruction and outcomes. As administrators of the NEN rural schools, the superintendent and I are working closely with our K-12 districts to prepare for possible changes. But, we initiated that contact with these districts. I am concerned we are an exception with this foresight. These situations of unpreparedness are both Class I and K-12 problems and responsibilities. Feelings of distrust, fear and frustrations do not help teachers and students. Fortunately, we are closely aligned with curriculum, assessments and reporting. These will still require changes. However, there are a multitude of areas that will put heavy demands on our staff. New school policies, procedures, handbooks, calendars, PTOs, schedules, textbooks, and support materials are just a few of these things. All of these, plus many more, will need to be

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reviewed and learned by staff members if they become part of a new district. This is an unfair expectation of dedicated people who already stretch themselves beyond expectations. The people who will suffer the most will be the innocent parties, the students and teachers. In summary, Senators, none of us is anxious to rehash LB 126. However, LB 1119 allows for the proper time frame to make intelligent decisions regarding the implementation. This bill should be heard and decided on the legislative floor. Please strongly consider moving this bill from committee. Thank you for your time. Your task is awesome, and you have my complete gratitude and respect.

SENATOR RAIKES: Thank you, Dan. Questions for Dan? I don't see any, but thanks for coming down today.

DAN HONEYWELL: Thanks, Senator.

SENATOR RAIKES: Next testifier. Yes, sir.

RICH SCHLESSELMAN: (Exhibit 3) My name is Rich Schlesselman, S-c-h-l-e-s-s-e-l-m-a-n. I'm superintendent of schools in Anselmo-Merna in Merna, Nebraska. Senator Raikes and Education Committee, I would like to address LB 1119 and perhaps from a little different perspective than these other people have addressed it so far. I would like to address it in regards to asking you to consider passing this so that it gives people more time to figure out just exactly the kinds of effects that it is going to have on school districts such as Anselmo-Merna and others that are in the same boat as we are. When the effects of LB 126 filtered down to us, the state issued an order that would take \$13 million of valuation away from the support of the Gates school to the Sargent school while transferring \$8 million from Broken Bow to the Anselmo-Merna school district. This net loss in support will cost Anselmo-Merna several thousand dollars because the take-over is the sole responsibility of the Anselmo-Merna district. In addition, we may well lose state aid because of its increase in valuation. That's what we are being told at least by the Department of Education. The Gates district was operating with \$197,000 budget on a \$30 million valuation. Now we are forced to run a budget for the attendance center of roughly \$227,000, and that will be explained in a moment, on a \$16.8 million valuation. That would mean that you would

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have to tax the equivalent of \$1.35 levy (which is over the \$1.05 limit allowed) on existing Gates district to generate the necessary funds. Following is a more complete breakdown of those effects. If and when LB 126 is put into effect, Anselmo-Merna will have to increase its budget by over \$85,000 over the current Gates budget just to maintain a system that is already in place. The Gates school is unique in that it is one of only, I believe, eight Class I schools in the state, that based on attendance of its graduates or option students at the highest grade level over the past few years chose to go to Anselmo-Merna. Anselmo-Merna was the minority landholder in the Gates district, but since 50 percent of the students went to A-M either at the end of the highest year offered or by option under the rules, we received land for Broken Bow. They lost while Sargent took its majority landholding of \$13 million with no obligation to use its financial gain to support the Gates district. The breakdown for the 2005-2006 school year is as follows: Anselmo-Merna \$8,246,807; Broken Bow \$8,679,000; and Sargent will take their \$13 million and take it with them.

SENATOR RAIKES: Rich, I'll interrupt you there because you've given us a written copy, which we much appreciate, so we can...let me ask you this. Is...

RICH SCHLESSELMAN: Okay.

SENATOR RAIKES: ...Anselmo-Merna an equalized school district?

RICH SCHLESSELMAN: Yes, we are.

SENATOR RAIKES: Okay. And you mentioned now that there is some trading around of valuation based on the rule for the assignment of the...

RICH SCHLESSELMAN: Right.

SENATOR RAIKES: ...Class I districts.

RICH SCHLESSELMAN: That is correct.

SENATOR RAIKES: And you end up a net gainer on that?

RICH SCHLESSELMAN: No, net loser...well, we will gain

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\$8 million, but we take over all of the expenses of the Gates school district. So we end up being...

SENATOR RAIKES: And Gates is a Class I district...

RICH SCHLESSELMAN: ...Gates is a Class I school district and...

SENATOR RAIKES: ...and its operating budget now is...

RICH SCHLESSELMAN: ...is \$197,000.

SENATOR RAIKES: Okay.

RICH SCHLESSELMAN: But when we have to take them over, their teachers are going to go on our salary schedule, which means they get benefits, and that's going to be an increase of probably over \$35,000 just for that piece of it, 30, 35 thousand and, in addition to that, then we will lose some assessed valuation that used to go to help support the Gates district. And it's my understanding, there are only eight districts in the state in which this actually happened. Most of the rest of them, the land stayed where it was at.

SENATOR RAIKES: Um-hum, okay. As...

RICH SCHLESSELMAN: And I guess all I'm looking for is, you know, it would be nice if we had another year in order to get this thing settled out because I think it's unfair for our district to have to take this over and pay this extra money out for something that we didn't bring on ourselves. It just so happens we have the largest number of students coming to our school district.

SENATOR RAIKES: You are an equalized school district so that to the extent your needs exceeds your resources, that amount would be picked up by state aid, but your concern is the delay or?

RICH SCHLESSELMAN: In theory (laugh). Yeah. Well, that...I mean, in theory, that is correct. But with our losing students each year as we are as many small rural schools are, it's going to have an effect on the state aid formula, I mean, as far as what our state aid is going to

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be. So we may or may not increase the number of students.

SENATOR RAIKES: But you've remained equalized over...

RICH SCHLESSELMAN: We've remained equalized, but our state aid like many others, and you're aware of this, fluctuates so dramatically that it makes it very difficult.

SENATOR RAIKES: What's your operating levy?

RICH SCHLESSELMAN: Our levy this year happens to be 96 cents. Next year it'll very likely...because we've tried to hold it down, will probably be up over a dollar.

SENATOR RAIKES: Do you have any building fund in that or bond issue?

RICH SCHLESSELMAN: No building fund. Bond fund, we have a bond fund in addition to that.

SENATOR RAIKES: Okay, okay. Well, thanks for this testimony. Any other questions for Rich? I don't see any. Thank you very much, Rich.

RICH SCHLESSELMAN: Thank you very much, Senator.

SENATOR RAIKES: Next proponent, LB 1119.

GEORGE LAUBY: Good afternoon. I'm George Lauby, L-a-u-'-y, and I'm a regional director of Nebraskans for Local Schools, a group that organized a petition drive to repeal LB 126 and to put a constitutional amendment on the ballot. And I'm also a Class I school board member outside of Lexington and a member of the Dawson County Cooperative of Rural Schools. I'd like to say this has been a contentious issue and we've taken kind of a hostile position to what the Legislature has done in general on this. But I want to assure you we didn't get into this debate or on a school board in order to be contrary. We got involved in order to work with others and to do so for the benefit of everyone. And being on a school board and working with your neighbors who you're acquainted with but you don't know all that well sometimes is a very rewarding experience because you get to know them, understand a little bit how they work and how they think, and you get pretty well acquainted with both those things.

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And you work together for the education of the children of the neighborhood. So, it's a very rewarding experience and an enabling experience. And when our role has been eliminated and being able to do that, we tend to get a little defensive and that's what we've done here. And I respect the job that you have to do in confronting the state's educational issues, and I hope you'll respect the job we try to do in addressing a lot of local issues. I hope that you will support this, defer the provisions of LB 126 for one year for some of the same reasons that have already been mentioned. But I want to point out one thing around Lexington that has caused...there's five Class I districts that are near Lexington and have been under some scrutiny, which we welcome. I've always felt that the best thing in that area would be if the Class I districts in Lexington got together and worked through some problems whether it's buildings or curriculum or integration or what have you, and that we work together as a unit would be the ideal situation. I tried to, in the process of this bill and this discussion, forge some relationships with the school board members of Lexington and have been pretty successful. But the bill has put us a little bit at odds too. But the practical problem that's come down is that we've had two of our districts out of those five assimilated with other districts besides Lexington because that's where the members went. And most of the members that left the Class I school went to Elwood and the majority of another school went to Cozad. So, Cozad and Elwood, as I understand the latest picture, as near as I can get a good, clear grip of it is Cozad and Elwood are going to get our teachers and our assets and our liabilities and our buildings, but Lexington still had most of the real estate. And it's probably created a little more division there than would be healthy for that area. So, this was a complex, unforeseen kind of consequence of the whole process largely unseen and unstudied. If you'd give us a year to work it out, it would be a beneficial situation. The cooperative also has some part-time teachers that rotate through the schools and teach music at three or four schools or physical education. Those are part-time teachers technically at each of those districts so their status for tenure and seniority is questionable, and it's caused them a lot of concerns. And we also have...we have the concerns of all the Class I's, I think, too, in the meantime is, what's going to happen next year? And we're looking at budgets right now and we're

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looking at personnel. And we're trying to make plans for next year. Parents are trying to decide where their children are going to go, and it's created a lot of uncertainty. So, if we could just have a year to work these things out, perhaps build better relationships with Lexington and work together as a unit, everybody would be well served.

SENATOR RAIKES: Okay, George. Thank you. Questions? Senator Schrock has one.

SENATOR SCHROCK: George, you said that your district... Lexington is a primary district?

GEORGE LAUBY: Lexington has been our affiliated district over the years, yeah.

SENATOR SCHROCK: But, did you say the assets were going to Elwood and Cozad?

GEORGE LAUBY: In our school, I'll just take one just to make it a little simpler, and I hope I understand this correctly, but I believe I do. Our school District 22, the majority of the members in recent years went to Cozad High School rather than Lexington. So our assets and liabilities go where the membership percentage went. So, yes, but the real estate territory taxable values remain with Lexington as I understand it, so.

SENATOR SCHROCK: Okay.

GEORGE LAUBY: It's created a problem.

SENATOR RAIKES: Any other questions? I don't see any. Thanks for coming today, George.

GEORGE LAUBY: Thank you. It's been an interesting debate.

SENATOR RAIKES: That it has. Next proponent, LB 1119. Kevin.

KEVIN COOKSLEY: Good afternoon. Good afternoon, Mr. Chairman. My name is Kevin Cooksley, C-o-o-k-s-l-e-y. I'm here today representing, oddly enough, Broken Bow Public Schools. I appreciate it very much; I didn't know he was

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going to be here today, Superintendent Schlesselman from Anselmo-Merna. Had I known he was coming down, we could have done like the old days of all-star wrestling where the two opponents, they come to town in the same car but they arrive at the event in separate vehicles so that the public doesn't know they're on opposite sides of the fence. I'm here to...

SENATOR RAIKES: Did Broken Bow have its own world champion wrestling (laughter)?

KEVIN COOKSLEY: (Laugh) I think that was Ravenna.

SENATOR RAIKES: Oh, Ravenna had the world champion. Well, every town can have their own world champion, as I remember.

KEVIN COOKSLEY: Jack Pesek was...yeah, that was the closest we had. Anyway, I am here today in support of LB 1119 and as Superintendent Schlesselman pointed out, Broken Bow lost \$8.6 million of valuation to Anselmo-Merna through the way that LB 126 played out. And he has already outlined the reasons that they have been opposed to it, has created hardships for them. You know, from the Broken Bow perspective, it was like too much of a good thing, but, nevertheless, we lost that \$8.5 million valuation and we are an equalized district. And we realize theoretically that should be made up through state aid a year from now. But in the meantime, we have teachers' contracts, we have budget concerns. We are at \$1.05 levy right now and with the way LB 126 played out with the other Class I's that surround us, I ran the numbers the other day for the board and we have two Class I's that are protected and the new valuation of the Broken Bow Public School system, we would, at a minimum, have to raise our levy 3 cents just to meet the new salary schedule for the teachers in those protected schools. And we're not talking about books or building work, just the teachers' salaries and benefits. So, as you can see, at \$1.05 that we're at right now, three more cents is not practical. So, we would, in effect, be having to find cuts someplace else. And we would ask that you advance LB 1119 to give us a year for the vote to be taken and then to work out the hard facts based on that. We have met with Anselmo-Merna, and we know what the picture looks like because that's the law of the land until someone tells us otherwise. But one more year would sure help.

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SENATOR RAIKES: Okay, thank you, Kevin. Questions? So, again, providing that in the state aid certification, the valuation changes are recognized, the equalization should take care of your additional burden or you don't see it that way?

KEVIN COOKSLEY: Well, the equalization should, the way it's constructed, but as we've had this discussion before, valuation is forever. State aid has a tendency to move up and down and as in Anselmo-Merna's case, we are in a continuing struggle to keep students, keep our numbers up, but in this particular case, Broken Bow will lose overall valuation and even though equalization should make up for it, number one, you have to wait for it for a year. And number two, here we are at the \$1.05 lid already. We're going to be in a severe crunch just to get through this next year.

SENATOR RAIKES: Your K-12 enrollment at Broken Bow is how many students?

KEVIN COOKSLEY: About 850.

SENATOR RAIKES: Okay, and...

KEVIN COOKSLEY: We're losing about 10 percent a year.

SENATOR RAIKES: Ten percent, wow.

KEVIN COOKSLEY: Every year we get our hopes up and every year reality sets in.

SENATOR RAIKES: You would be taking in how many Class I attendance centers?

KEVIN COOKSLEY: We would be taking in...well, of the ones we're affiliated with, we would become the primary supplier for two of them. We have another one that is closing on...they ran out of students, so they're in the process of closing this year without LB 126. We have the Oconto and the Gates school district where we would not be involved in their operations; the Gates district because of LB 126. And Oconto, where we have a little bit of valuation, we would be leaving that Class I and the Callaway school district would

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become responsible for operating the Oconto district with, of course, a diminished valuation to fund it, the same problem that Merna has with the Gates district.

SENATOR RAIKES: Okay. Thank you for coming down today, Kevin. Additional proponents.

RHONDA DAVID: Good afternoon. My name is Rhonda David, R-h-o-n-d-a D-a-v-i-d. I'm the parent of four boys. I come before you today with just 54 school days left in the school year for my children. I am an involved parent that makes the commitment to my children to ensure their success in school. I have one chance to educate them. I find it unbelievable that I do not know where my children will attend school next year. Within our governmental system, the people have the right to the referendum process. LB 126 was passed and then successfully petitioned to be placed on the ballot for a vote of the people. In the history of Nebraska, this is the first time that legislation has been passed that contained effective dates that rendered the referendum process and a subsequent vote of the people ineffective. The effective dates of LB 126 have created an unbelievable mess, a mess that is irreparably harming children, teachers, and school districts. Regardless of your position on LB 126, you must look at the unnecessary hardship that is occurring. Teachers with many years of experience in Class I schools are actively looking for jobs elsewhere due to the uncertainty. Families are in turmoil due to the uncertainty. Planning within schools has stymied due to the uncertainty. Incoming kindergarten families are in turmoil due to the uncertainty. School open houses are being postponed due to the uncertainty, and K-12 districts are in turmoil due to the uncertainty. My husband and I chose to option two of our children to Cheney school. This option was based on the environment that best fit their needs. One of them had already been struggling for five years in the K-12 district and the other one was entering school with many issues before him. My family is now faced with these choices. One, option our children into Norris Public Schools with an additional 12 miles of transportation. Two, option our children to some other school district. Three, return to the home district that struggled to help our son. Four, home school. Or five, move. If the effective dates of LB 126 remain, my children will never attend Cheney school again, even though it will

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remain open as an attendance center. Norris Public has informed us that no option students may attend Cheney attendance center, even though there will be enough room. This attendance center will be reduced from a viable school with four full-time classroom teachers and 63 students to one full-time teacher and 13 students. Even if the voters repeal LB 126 in the November election and Cheney school is possibly recreated, my children and any children that exercise an option cannot go back to attending Cheney school as we will have already exercised our option with Norris or some other school district. So there are two possibilities before you today; you can retain the effective dates of LB 126 and continue with the hardships and irreparable harm by opposing LB 1119 or you can change the effective dates of LB 126 by one year and eliminate the hardships and irreparable harm by supporting LB 1119. The repealing of LB 126 will be on the November ballot. Please consider the mess that our educational system is in for so many of our children. Your action to postpone these effective dates for one year supports these children regardless of your stance on LB 126. I ask for your support in moving LB 1119 to the Legislature floor for full consideration.

SENATOR RAIKES: Okay, thank you. Questions? Senator Stuhr.

SENATOR STUHR: Yes, you mentioned something about reducing four teachers and 63 students down to one teacher and 13 students?

RHONDA DAVID: Thirteen students? That would be correct.

SENATOR STUHR: That decision has been made.

RHONDA DAVID: Yes, Norris has already informed us that anyone that has to option into Cheney school may not attend there. We can option into Norris, which would be a part of Cheney, but we cannot attend Cheney school. They're forcing us to go out to Norris, even though, obviously, there's room at Cheney school. So...

SENATOR RAIKES: You...

RHONDA DAVID: ...go ahead.

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SENATOR RAIKES: Your kids currently go to Cheney?

RHONDA DAVID: Yes.

SENATOR RAIKES: And all of them do.

RHONDA DAVID: Two of...yes, two of my children do, yes.

SENATOR RAIKES: And the other two are...

RHONDA DAVID: One is not in school yet and the other is in high school.

SENATOR RAIKES: Okay. And you live in the?

RHONDA DAVID: In the Lincoln school district.

SENATOR RAIKES: In LPS, okay. All right. So, the issue here is Norris' decision about option students.

RHONDA DAVID: The issue is the effective dates and not allowing the time to go by. I'm sitting here with 54 days left in my school year and I can't tell my children where they're going to school. I mean, that's unbelievable. And yet if I make the decision to go on to Norris and should Cheney come back, I can't even come back to Cheney school because I will have an option that's on the table that I can't get rid of.

SENATOR RAIKES: Okay. I think I understand your plight. Any other questions? Senator Kopplin.

SENATOR KOPPLIN: So the 13 students that attend next year Cheney. They are members of the Cheney district...

RHONDA DAVID: They're Cheney residents students that have their land affiliated with Norris. There's many Cheney students that have their land affiliated with Lincoln. And so there's a situation that there's one student that lives a couple of blocks from the school, but because his land is associated with Lincoln, he, too, would be one that cannot go to Cheney school. He has to go out to Norris with his child because his land...there's so many houses in that area that some people are associated with Lincoln. A next door neighbor might be associated with Norris. The next door

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neighbor might be associated with Lincoln. Evidently, there was a period in the nineties or eighties that everybody made the decision to where their land was affiliated with. And so it's a hodgepodge mess as far as that goes. So that's the reason that that's happening.

SENATOR RAIKES: Senator Byars.

SENATOR BYARS: We're trying to get some clarification on that from Norris...

RHONDA DAVID: Uh-huh.

SENATOR BYARS: ...relative to that issue, and we had some information today that I received from Senator Heidemann's office that and from Dr. Baker. I have not had time to peruse yet...

RHONDA DAVID: Sure.

SENATOR BYARS: ...on some clarification. I'm not sure everything that you've...your understanding is the way that Norris is...

RHONDA DAVID: Well, he came and had a meeting with our school and that's what he told us. And he told us the bus would come and pick the kids up at Cheney school to take them out to Norris.

SENATOR BYARS: Okay, thank you.

RHONDA DAVID: So, I mean, he made that very clear that they're a consolidated school district and that's what they are. They don't want more than one building. Their facility is at Norris.

SENATOR BYARS: Okay, thank you very much.

RHONDA DAVID: Thank you, appreciate your time.

SENATOR RAIKES: Thank you. Any other proponents, LB 1119? Opponents? Neutral testimony? Senator Heidemann.

SENATOR HEIDEMANN: A little faster than what I thought, it's good (laugh). Do we have conflict? Do we have

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uncertainty? Do we have turmoil? If you can answer yes to those things, you have the power to do something about it. And I'm going to throw one more thing at you. If somebody would say, they'd give you a million dollars for one year to delay this, what would you do? If we delay it one year, according to the REAP Funds, that we will be eligible for, we'd get a million dollars. And I have a lot of K-12 districts; you can correct me, but if those districts are still there, we would be eligible for what I have calculated to be a million dollars in REAP Funds. I believe that's right. If you leave those districts there for one year, I have a lot of K-12 districts that because they have protected schools, Class I's that they're going to be taking care of and because they're going to lose REAP funds, some of those schools were getting \$20,000 and now they would get nothing, but they still have to keep those schools there; it's going to put a heavy burden on them. And I thought I would just throw that out there, could be the million dollar question, I don't know. Any other questions for me?

SENATOR RAIKES: Okay, thank you, Senator. Questions? I don't see any. Thank you.

SENATOR HEIDEMANN: You betcha.

SENATOR RAIKES: That will close our hearing on LB 1119, and we'll move to LB 839. Senator Hudkins.

LB 839

SENATOR HUDKINS: Senator Raikes and members of the committee, hello. I am Senator Carol Hudkins, H-u-d-k-i-n-s, of the 21st Legislative District. And for your consideration today, I have introduced LB 839. In the event the voters in November repeal the provisions enacted by LB 126 from 2005, this bill, LB 839, would provide direction to the Department of Education to reestablish the school districts as they existed prior to the enactment of LB 126. When LB 126 was originally placed on the ballot, my belief was that if the referendum were successful, then the statutes would return to their old language and the schools that were merged would be automatically reconstituted. However, I came to find out that there are some individuals who disagree with that belief. I don't believe there's any

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disagreement that the statutes would revert to the language as it existed prior to LB 126. The disagreement is what will happen with the actual districts that were consolidated under the provisions of that bill. In the event the Supreme Court enjoins the process set out by LB 126, this bill, LB 839, will be unnecessary. However, if the Supreme Court does not enjoin LB 126 and the voters repeal the bill, I think that the voters would be under the impression that the actions taken should be reversed and would be very disappointed in their governmental institutions if that is not the case. The bill provides an alternative for school districts to maintain the mergers created under LB 126 if the voters of the school district want to maintain the merger. I will answer any questions that you may have.

SENATOR RAIKES: Okay, thank you, Senator Hudkins. Questions? Senator, one question for you. I think your testimony reflected that if someone voted for the repeal of LB 126 they would do so because they wanted the Class I districts to be reestablished. But isn't it possible that, suppose you had a K-12 district that was concerned, instead, with the necessity to keep the attendance centers open so in going into the election, really what they were interested in was not the maintenance of Class I schools but rather elimination of their obligation to protect the attendance centers. Wouldn't they also vote for the repeal of LB 126?

SENATOR HUDKINS: I can't tell you how people are going to vote and what reasons they use to vote that way. I would think that parents of a child in a Class I district, if they chose to keep their children in that school, whether they were resident students or option students, if that were a viable school then they would be voting to repeal LB 126 to maintain that school.

SENATOR RAIKES: Okay, thank you. I don't see any other questions.

SENATOR HUDKINS: Okay, thank you.

SENATOR RAIKES: Proponents for LB 839? How many do we have? One, two. Opponents? One. Neutral testifiers? Okay, let's begin with the proponents.

ED SWOTEK: (Exhibit 4) Chairman Raikes, distinguished

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senators of the Education Committee, my name is Edward J. Switek. That's spelled S-w-i-t-e-k. I'm a senior vice president of a large Lincoln bank and currently reside in rural Lancaster County. As many of you know, over 87,000 valid signatures of fellow registered Nebraska voters were collected last summer to place a repeal of LB 126 on the November, 2006, general election ballot. These signatures were collected by over 600 volunteer circulators in every single county of Nebraska over just a short 70-day time period. Not in recent memory has such a grassroots volunteer effort been so successful. While Nebraskans have legitimately earned the right to vote on the repeal of LB 126, its enactment continues despite the issuance of a permanent injunction by the district court. Under state law, the appeal of the district court's decision, while pending before the Nebraska Supreme Court still allows the law to proceed until the Supreme Court renders its decision. As a result, the dismantling of Class I and Class VI districts throughout the state continues. This has posed an extremely unique situation. If the Supreme Court issues its decision following the March 1, 2006, scheduled allotment of budget authority for school districts by the Nebraska Department of Education, then we will have legally reinstated school districts without any funding to begin school next fall. To make things even worse, if Nebraska voters repeal LB 126 in November, then there is no technical mechanism to legislatively reinstate these Class I and Class VI districts and an emergency special session of the Legislature will be required to refund these districts going forward. To avoid this potential need for a special session, LB 839 offers simple, straight forward, clean-up language that technically reinstates Class I and Class VI districts in the event voters repeal LB 126 in November. This is a sound, reasonable, commonsense approach that proactively positions the Legislature to avoid the cost and attention a special session would raise and would quietly bring closure to a very controversial chapter in Nebraska education history. I strongly urge you to support LB 839. This bill is a commonsense insurance policy to protect Nebraska taxpayers, this state, and the Nebraska Legislature from continued fall-out should LB 126 be overturned on November 7. Thank you.

SENATOR RAIKES: Okay, Ed, thank you. Questions for Ed?
You mentioned in your testimony that there were

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600 volunteer circulators.

ED SWOTEK: Right.

SENATOR RAIKES: My understanding that there were also some paid circulators?

ED SWOTEK: There was probably a total of less than ten.

SENATOR RAIKES: I see. Okay. The other question, do you think that at the time the signatures were gathered that there was uncertainty as to the situation that is now...the people didn't understand, that people, I guess, on your side didn't understand what might happen?

ED SWOTEK: Well, as you know, Senator, the litigation process didn't start, I believe, until October. So what people are saying is that they wanted to have the right to vote on whether to repeal LB 126 or not. The uncertainty certainly has escalated exponentially now that we've gotten a permanent injunction issued by the district court while we're pending to get a response back from the Nebraska Supreme Court. So, the uncertainty that was...look back September 1 or 2, I think it was, when we turned in all the signatures, the message sent to Nebraskans was, you now have a right to vote on this issue. They have earned that right. The uncertainty has escalated quite a bit since then with all of the additional litigation that's taken place. I don't know if that answers your question.

SENATOR RAIKES: Okay. Any other questions? I don't see any. Thank you, Ed. Next proponent, LB 839.

GEORGE LAUBY: (Exhibit 5) I'm George Lauby, L-a-u-b-y, with Nebraskans for Local Schools, a petition drive. I'd like to confirm a couple of things that Ed stated. I believe 90 percent of the signatures were gathered by volunteers, and I think that maybe, perhaps, a more accurate number is 700 volunteers, but there's a numerous number of volunteer carriers and very few paid carriers. We did hire a few towards the end to try to see if we could get all the names we could in the last few days, but that's...basically, it was a volunteer effort. People just fit it into their daily schedules. We had no full-time paid organizers or staff people at all, so we think it is a pretty good

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representation of the will of the people. There were petitions that showed up that were surprising in number and volume at the end. And I'm going to place a copy of the referendum petition with my testimony here just in case you haven't had a chance to look at it. According to Webster's and Random House dictionaries, repeal means to revoke, rescind, abolish, nullify, and abrogate. And it seems clear to many of us that the orders to merge school districts would be reversed if the people repeal, nullify, and rescind LB 126 at election. So, we hope that the Legislature would follow the direction of the people should it come to that. You know, people have said they're reluctant to open up the debate of LB 126, and I don't want to do that either, but there are a few reasons why we think that this is a bad bill. And one thing that was made apparent to us in December or actually Thanksgiving, early December when that bad snowstorm came upon us, we had...a lot of people had trouble getting in and out of their driveways in rural Nebraska. We had a school board president down the road that's a half-mile drive, and the driveway drifted shut repeatedly for two days. And, of course, Pony Lake school up near Bassett 17 miles from the nearest school, they were closed for five days. So, in this debate there's been some...it's been expressed a time or two that most of the roads in Nebraska are good and the rural schools are...people can get around pretty good compared to the way they used to. Well, they still can perhaps compared to the way they used to, but that doesn't mean it's easy to do, especially when the weather is bad. So, I wanted to reiterate that. And also, there's numerous costs with this bill that are still becoming apparent. In North Platte, one of the rural schools outside of Class I districts outside of North Platte has a volunteer janitor or groundskeeper right now. The superintendent at North Platte made it clear the other day in an assimilation discussion that that volunteer position had to be liquidated and terminated and it had to be a full-time or a paid person to do it because that's the way everybody is treated in the district. And the costs of maintenance of grounds and buildings is going to be considerable in many cases. So, it's often a hidden, overlooked cost and it's something that the volunteer school board members did, typically. So, that volunteer effort is going to be reduced at least. Are there any questions?

SENATOR RAIKES: Okay. Thank you, George. Questions? I

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don't see any. Again, thanks.

GEORGE LAUBY: Thank you.

SENATOR RAIKES: Any other proponents, LB 839?

KEVIN COOKSLEY: Good afternoon, again, Senators, Mr. Chairman. My name is Kevin Cooksley, C-o-o-k-s-l-e-y, here representing Broken Bow Public Schools in support of LB 839. And, as you pointed out earlier, politics makes strange bedfellows. People sign the petition for various reasons, and I can tell you in the Broken Bow Public Schools they're not happy about losing \$8.5 million in valuation permanently. But I would like to address something I didn't address earlier, and that is in the eight school districts, if that is what it is, eight school districts that suffered the same fate that the Gates did, we have a category of voters in Nebraska who were disenfranchised of their original affiliation that they did in 1989 and 1990 when they chose the K-12 that they wanted their land affiliated with. LB 126 reassigns them to another K-12 and in Broken Bow's case, you know, \$8.5 million is valuation, but there are a lot of people that live out there on those properties that now cannot run for the Broken Bow school board, cannot vote for the Broken Bow school board even under the provisions of LB 126 because they will not be residents of the Broken Bow school district anymore. And one of the reasons why we support LB 839 is because if this bill is defeated at the ballot box, we would like to see the picture go back to the way it was because when you drafted LB 126 you took a snapshot of a three-year time period. And that snapshot, obviously, was different than it was in 1989, 1990 when affiliation took place. But nonetheless, people affiliated their land according to their wishes back then and now they have had that wish ignored and they are not very happy about it, and returning us back to the original picture would give us a chance to maybe find a way to assuage those problems. So, that concludes my testimony.

SENATOR RAIKES: Okay, thank you, Kevin. Senator Stuhr has a question.

SENATOR STUHR: Yes, Kevin. How many people would be involved in your district in that affiliation?

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KEVIN COOKSLEY: How many people?

SENATOR STUHR: Well, I mean...

KEVIN COOKSLEY: I haven't counted them. I...

SENATOR STUHR: ...I mean, landowners.

KEVIN COOKSLEY: ...I was afraid you would ask that question because I got to thinking about that myself coming down here. And we haven't counted up the heads, the bodies.

SENATOR STUHR: Is it ten or, I mean, do you have...

KEVIN COOKSLEY: I'm sure it's more than ten.

SENATOR STUHR: ...I mean, a rough, you know, 10, 20, or...?

KEVIN COOKSLEY: \$8.5 million worth of valuation is a fair amount of property, and there are a lot of people that live out there that work in town and send their kids to Gates school district. My point is that they...when we enacted affiliation, we did it with a good faith effort, and I was involved in doing that. And, you know, you went to the property owners, say where do you want your land if this school district closes? And that was the promise that was made and now we've broken that promise and it wasn't our doing. But that doesn't help the person who is being involuntarily reassigned to a different school district that they probably never even attended.

SENATOR STUHR: If you could find out that number, I would appreciate it, in your district.

KEVIN COOKSLEY: Okay. You would like the number of people who would be affected.

SENATOR STUHR: Right. Well, landowners, yes.

KEVIN COOKSLEY: Okay, including absentee landowners?

SENATOR STUHR: Well, (laugh)...

KEVIN COOKSLEY: Some of those, we had a hard time tracking down (laugh).

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SENATOR STUHR: I know (laugh). No, I think just, you know, those that would have children.

KEVIN COOKSLEY: Okay.

SENATOR RAIKES: You understand probably or wouldn't maybe have a good reason to, when the bill was originally proposed, it was to distribute the property strictly on the basis of affiliation of, you know, as you would prefer. The only thing is, we ran into situations where although people affiliated property with one district, they sent all their students to another district, so we were left with a quandary of well, certainly you should try to honor the original assignment as you mentioned, but if, in fact, you've got all the students going a different direction then for purposes of support in the school district, you probably ought to take that into account too.

KEVIN COOKSLEY: The picture does change over time, right? I mean, you took a snapshot of that three-year time period in the...

SENATOR RAIKES: Well, we used three rather than one...

KEVIN COOKSLEY: Right.

SENATOR RAIKES: ...for exactly that reason. We wanted to try to pick up what had happened over some period of time.

KEVIN COOKSLEY: But under affiliation in 1989, where we went to the property owners in the cases where they were people that were living there, there was a lifetime of experience there. In most cases, it was...you've lived there for a hundred years, this is the third or fourth generation. Where do you want your land assigned if our district closes? It wasn't based on a window of attendance in a certain school building. So, I mean, you have tenants move in and out and that kind of thing, so.

SENATOR RAIKES: Um-hum. Senator Schrock has got a question, Kevin.

SENATOR SCHROCK: Just to tell you that not all land is affiliated based on logic (laughter).

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KEVIN COOKSLEY: I understand that.

SENATOR SCHROCK: And I can give you an example where a person had 12 students that went to...his 12 children went to high school and even though it was closer, he affiliated his land with another school district. He didn't affiliate his land with the school district where his kids went to school, and he had 10 to 12 kids.

KEVIN COOKSLEY: I remember hearing instances of where people affiliated land where the property taxes levy was the lowest. I mean...

SENATOR RAIKES: Curious criteria.

KEVIN COOKSLEY: ...human nature, huh?

SENATOR RAIKES: Yeah, okay. Thanks again, Kevin, for being here.

KEVIN COOKSLEY: Thank you very much.

SENATOR RAIKES: Any other proponents, LB 839? Opponents? Jim.

JIM GRIESS: Senator Raikes and members of the Education Committee, I'm Jim Griess, the executive director of the Nebraska State Education Association. That's G-r-i-e-s-s. The NSEA board of directors has directed me to appear in opposition to this legislation. The intent of LB 839 is to reestablish Class I and Class VI school districts by January 1, 2007, in the event that voters repeal LB 126 in November. While this bill might be well-intentioned, its outcome is ludicrous in the extreme, and it would have the effect of creating a destructive disruption in the educational process. Because of LB 126, former Class I and Class VI teachers will begin 2006-07 school year as faculty members of a new K-12 school district entity. They will hold teaching contracts issued by those districts for 185 to 190 days. Terms of those contracts will place those staff on appropriate steps of the K-12 district salary schedule and for many former Class I teachers provide them with health insurance for the first time in their professional careers. Undoubtedly, as a part of the transition, some

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teachers will also be reassigned to different grade levels and some teachers may not be employed at all. More importantly, students will begin the school year with these new assignments in place. What LB 839 will do is disrupt this entire structure of a school district's program including its budget. The consequences of LB 839 would result in the total disruption of the learning environment and would have the consequences of abrogating teacher contracts in mid-term. Class I's would have no teachers and would have no tax resources since the former resources would have been assigned to the newly created Class III school districts and budgeted accordingly. In our opinion, LB 839 is completely unworkable and should be indefinitely postponed.

SENATOR RAIKES: Thank you, Jim. Questions? I see none. Thanks for being here, Jim.

JIM GRIESS: Thank you.

SENATOR RAIKES: Any other opponent testimony? Neutral testimony, LB 839?

BRIAN HALSTEAD: Good afternoon, Senator Raikes and members of the Education Committee. For the record, my name is Brian Halstead, B-r-i-a-n H-a-l-s-t-e-a-d, here in a neutral capacity on behalf of the Department of Education. A couple of points. As I look at the bill on page 2, it talks about reestablishing all Class I and Class VI school districts as such districts existed immediately before December 1, 2005. On that date, there were 206 Class I school districts. There were 16 Class VI school districts. The State Committee for the Reorganization of School Districts dissolved 200 Class I school districts and reclassified 15 Class VI school districts on December 1 pursuant to the provisions of LB 126. Five Class I school districts and West Holt Rural High School, which was a Class VI district, had already been reorganized with an effective date of January 1, 2006, by the committee. As such as this is written, it would appear that we would be required to dissolve that new district that was created through a different means and not by LB 126. I don't believe that's the intention of the sponsors of this bill. And, as Mr. Cooksley pointed out, Broken Bow Public Schools, one of the Class I school districts that is affiliated with them

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was dissolved by the State Reorganization Committee in October of 2005, because they had for two consecutive years contracted for the instruction of all of their students with the Broken Bow Public Schools which violated another statute. They will be dissolved effective June 1, so, in a sense, they aren't impacted by LB 126 either, so that language appears to be a little more over-inclusive than what's intended should the voters repeal LB 126. Second point I would make is with the last section, subsection 4, the department would prefer greater clarity on how it is we're supposed to recalculate state aid in the middle of a school year after we've already made state aid distributions for several months. One of the problems with trying to do this in the middle of a school year, budgets are all having to be adopted by September 20. The Class I school districts won't have any budget under the law. They won't have any authority to spend any money even if we gave them state aid money to spend. The property tax dollars will have been generated based on the budget that would have been sent in by the Class II, III, IV, or V school districts so it's going to be problematic at best to recreate a school district in the middle of a school year. But if that is what this Legislature wants to do, give us greater direction as to how we break out all of that data, how we pull out the student count, how we pull out the budget amounts, how we deal with all of that so we can redistribute it the way it's supposed to be done. I know some people think the department just makes this up and does it off the top of their head, but as you are all well aware, state aid and property taxes are all done strictly pursuant to the statutes you write, so we'd certainly ask for greater clarity if that's the process we're to go through. I'd be more than happy to answer any questions you might have.

SENATOR RAIKES: Okay, Brian, thank you. Questions for Brian? Thanks for coming over. Any other neutral testimony, LB 839? Senator Hudkins, you can do as you wish. Close on this one; open on the next one.

SENATOR HUDKINS: Senator Raikes, thank you for the opportunity to be here this afternoon. We appreciate your timely hearing of this bill. I would comment on a statement that Mr. Griess made about destructive obstruction, and I must respectfully disagree with him. And Senator (sic) Griess and I are even neighbors. We had kids in the same

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class so this is difficult for me to do. But in order to disagree with what he said, I would have to go into the pros and cons of LB 126, and I don't believe you want us to do that today. This bill simply provides that if the voters repeal LB 126, then there is a method for those schools to be reorganized and in Section 4 on page 3 that they shall receive state aid according to a certain formula. Mr. Halstead's remarks on what do we do with the schools? Do we have to reestablish everything? No, we don't, and the bill very clearly says that in line 15 on page 2. It said if the committee receives a petition by a majority of the voters asking that such district not be reestablished. So if they have already been affiliated, merged, whatever, with another school and they have already made their decisions and we have been saying that all along, that schools are making decisions to close for lack of students, for whatever the reason. And so there are going to be schools that do not wish to go back to the way it was for whatever reason. So, I would just ask that you look at this a little more carefully and think what will happen if the Supreme Court, in fact, does enjoin LB 126 until after the November elections.

SENATOR RAIKES: Okay, questions? I don't see any. So, please proceed with your introduction on LR 253CA.

LR 253CA

SENATOR HUDKINS: Thank you very much. Good afternoon, again. I am still Senator Hudkins, H-u-d-k-i-n-s of the 21st Legislative District, and I will be opening today on Legislative Resolution 253CA. Every so often, the Legislature attempts to force certain actions on local political subdivisions that do not have a broad base of support at the local level. Many times that occurs in relation to schools. On at least one other occasion, we attempted to force consolidation without local support, and that ended up in litigation, a referendum, and the final result was that the people repealed the statutes. Last year the body decided to again ignore historical precedent and passed legislation that would forcefully merge school districts and, again, we have litigation and a referendum. This year we also have the Omaha school issue before us. Once again, if we choose to ignore the past and fail to

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build a consensus at the local level, we will end up with further litigation and depending upon whether or not we enact the legislation, we could end up with yet another referendum. The solution when it comes to schools is not unusual. It is LR 253CA, which provides for merger or consolidation of school districts only upon a positive vote submitted by the electorate of the districts to be merged. This is the mechanism available for county mergers or consolidation, and it makes sense for school districts to work under the same constitutional constraints. I would answer any questions that you may have.

SENATOR RAIKES: Okay. Questions? Senator Kopplin.

SENATOR KOPPLIN: Yes, you mentioned the Omaha situation. Do you believe this amendment covers Douglas County?

SENATOR HUDKINS: Well, depending upon the timing of everything, the effective dates, the litigation, but what we're saying is if a school is going to be merged with another or affiliated with another or consolidated with another, it must be by a positive vote of the districts involved.

SENATOR RAIKES: So, to pursue that a little bit, if it involves the changing of boundaries but both school districts exist after the change, does this cover that or not?

SENATOR HUDKINS: Don't know.

SENATOR RAIKES: Okay. I see no other questions. Thank you. We'll go to proponents, LR 253CA. How many do we have? We have one, two, three. Opponents? One. Neutral? Okay, begin with the proponents.

ED SWOTEK: (Exhibit 6) Thank you, again, Senators. Chairman Raikes, distinguished senators of the Education Committee, my name is Ed Swotek, S-w-o-t-e-k, and I'm a senior vice president of a large Lincoln bank and currently reside in rural Lancaster County. One of the most fundamental rights we have as Americans is the right to vote. This right to vote is not only guaranteed by our United States Constitution, but it is also the vehicle by which the will of the people chooses the destiny of its self

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governance. As important as this right is, it is called into question when a select few can decide the future of a political entity such as a school district when it is faced with consolidation, merger, or assimilation. The will of the people, in fact, the will of the taxpayers for that political entity does not even enter into the process. Having a voice in the future existence of one school district represents the very core of local control. The threat of not having a voice is unimaginable. I need not remind you of what is happening throughout Omaha as a divisive wedge is splitting that community like it has never before seen in its history. LR 253CA is not an anticonsolidation amendment. Actually, it's quite the opposite. Rather, it is an amendment that holds school districts accountable to the taxpayers within that district. If a school district is performing in a fiscally responsible manner within the guidelines of state law, is achieving academic proficiency for its children, and taxpayers are generally supportive of the direction that district is taking, then the will of the people should allow it to continue under its own self governance. If a school district is not performing well, then the will of the people will choose the destiny of that school district. It all boils down to one very simple question. If local taxpayers are the one financially underwriting their local school districts, then shouldn't local taxpayers ultimately be the ones who decide its fate? Here in Nebraska, we are learning firsthand that forced consolidation or the threat thereof splits communities. We should look toward opportunities to bring communities together in a spirit of cooperation, not drive them apart. This commonsense amendment should put to rest much of the divisive turmoil surrounding school district consolidation now tragically splitting our neighborhoods, our communities, and our state. If this committee, if this Legislature, in fact, if this state truly values local control, then this very reasonable amendment should have the opportunity to be placed before the voters in November. I strongly urge you to support LR 253CA and let the will of the people have a legitimate voice in the governance and destiny of their tax dollar supported school districts. Nebraska taxpayers expect it. Thank you.

SENATOR RAIKES: Okay. Questions? Thank you.

ED SWOTEK: Thank you.

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SENATOR RAIKES: Next proponent, LR 253CA.

GEORGE LAUBY: George Lauby, L-a-u-b-y, with Nebraskans For Local Schools. I just want to fully inform you that we intend to reach the necessary threshold to put this issue on the ballot. We think we need 112,000 or 115,000 signatures. We've got about 75 percent of those collected already. We're continuing to collect signatures and, again, an all volunteer effort. And you could expedite the will of the people to put this on the ballot if you would do that legislatively. So I encourage you to do so; I hope you will. You had mentioned, it's a fundamental right to vote and we certainly agree with. In rural Nebraska it's always seemed to me throughout my lifetime, if it was a contentious issue on a school consolidation that the school boards usually turn that over to people to vote. And they had a healthy public debate; they waded back and forth and had some public forums and generally, it seemed to be a health process, stimulated interest in democracy and participation. And, you know, I guess I always assumed if our school was going to be merged, that kind of process would go forward too, but we've seen that that doesn't always happen, so we'd hope you'd stimulate our interest in democracy all you can in participation. And people tend to enjoy school discussions, and they tend to pay a lot of attention to it. Again, it brings out the unselfishness in people as we're talking about the education of everybody's children, not just your own. So, we start looking out for each other's welfare and I think some people say, if you apply it to Omaha, well, there's no way that...let's take an example. Millard could ever get together with Omaha and decide the voters would ever agree on what kind of merger would take place. And I would refute that. I'd say, yes, they can agree. It would take a good plan, but we might have the best plan brought forward at the beginning of the issue and, again, a healthy public debate. And I think we'd have a good system that was acceptable to a majority of the people, by far the majority of the people by the time the process was finished so. Thank you.

SENATOR RAIKES: Okay. Senator Stuhr.

SENATOR STUHR: Yes. George, would you agree that our country was founded on a representative democracy?

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GEORGE LAUBY: Yes, I would.

SENATOR STUHR: And if you agree upon that, I know that our local school was involved in a consolidation.

GEORGE LAUBY: Um-hum.

SENATOR STUHR: And very much work was done in surveying the people, many hearings are held, but that local decision was made by the board...

GEORGE LAUBY: Um-hum.

SENATOR STUHR: ...who was elected by the people and represented the people. And I think that...

GEORGE LAUBY: Was it an acceptable decision, Senator? I mean, most people go along with it.

SENATOR STUHR: Yes. I mean, you're never going to get a hundred percent, but, you know, the board...

GEORGE LAUBY: Well, we'd like to...

SENATOR STUHR: ...the board was elected by the people. The board made the final decision.

GEORGE LAUBY: I understand.

SENATOR STUHR: And I think that's what our country was founded on is a representative government.

GEORGE LAUBY: I understand that perspective and I respect it. The problem I've seen in bond issues in my time or merger issues is it...particularly bond issues, that the board will hire a consultant to come in and he will devise a strategy to pass upon. And a lot of times you have a fairly strong paid proponent of the measure, but you don't have a corresponding balance of power for the opponents. So the debate tends to be lop-sided and often turnout is low. People don't get engaged in the issue. They don't feel like their opinion matters. And, you just don't have that healthy spirited back and forth debate that we see in public issues that are important, I think. So...

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SENATOR STUHR: I can tell you that I think that most school issues, as you know, are very emotional. And most people...

GEORGE LAUBY: Well, I think emotion...

SENATOR STUHR: ...many, many people get involved.

GEORGE LAUBY: ...I think emotional, intellectual, the whole gamut, it covers the whole gamut. But, you know, one person...if the issue is important and it affects broad measures, our country has always left it up to the vote of the people. We elect our representatives, elect our presidents. We elect our senators, our congressmen, our legislators because that's an important position, and it's important for people to weigh in. And I feel no less strongly about school consolidation, especially when they're forced on you. I just think that's...it's gone over the line in many cases. Senator, these decisions have been made by people who haven't seen our schools and our whole nature of our schools, our parents, our teachers, our whole dynamics, our traditions, our cooperating agreements. And they're all dismantled under this bill. We didn't get a chance to do much more than come down here and testify. And we found ourselves in the distinct minority just to get attention let alone win the argument. So, when that dynamic sets up then, you know, I think we need to go back to the basis of the United States and that is, let the decision be made by the voters and people directly affected. They got to live with the decision.

SENATOR STUHR: So, what do you think the responsibility of boards are, school boards and the Legislature if it isn't representative government?

GEORGE LAUBY: Well, I think they have a lot of responsibilities. And I think, you know, sometimes too many. I think that, you know, they could use a little help from the voters once in a while. But the boards have a lot of decisions to make. My concern is that we're in consolidation, we have fewer board members, so we're losing touch with the voters because we have fewer representatives on school boards because we have fewer school districts. That's a real concern to me. And they have budget decisions; they have curriculum decisions; they have

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personnel decisions; they have a lot of decisions. And the bigger the school districts is, the heavier the burden on them too, so.

SENATOR STUHR: Thank you.

GEORGE LAUBY: Thank you.

SENATOR RAIKES: Senator Byars.

SENATOR BYARS: Yes, and I know exactly where you're coming from. I really hear what Senator Stuhr is hearing also. We as public policy makers, if elected, hear this all the time. It may be a situation where all sorts of issues that we made it a populace vote on every single issue that comes before this body where we have a group that is opposed to it, we would bring government to its knees. We would not have anything happen. And we're saying in elected officials and the outcome of those elections, being influenced tremendously by groups from out of the state of Nebraska with huge amounts of money, big, deep pockets who come in and assail a member of this Legislature or someone running for U.S. Congress or other issues because they don't like it. But they'll spend the money to influence the electorate here. So I can see that being an issue that goes both ways. And I would hate to see us turn...

GEORGE LAUBY: I appreciate that...

SENATOR BYARS: ...to a populace state where you have elected representatives and then why should we make decisions? Just as well put everything on the ballot.

GEORGE LAUBY: ...concern. Our amendment here that's proposed is just that the people that are most directly affected, the residents of those school districts vote. Hopefully, that would not open the door to outside influences and these are the real people. You know, the other thing about our petition drive is it's volunteers in Nebraska. We didn't hire an outside firm to come in and circulate these petitions, so these come from the heart. And I know you appreciate that, and I think we're making our point a little more clear, too, and, you know, I respect where you're coming from. I just differ, I guess, at this point. Yes.

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SENATOR RAIKES: Senator Schrock.

SENATOR SCHROCK: I'm not opposed to what you're trying to do. But what do you do with a district that doesn't have any students?

GEORGE LAUBY: Are there districts that don't have students?

SENATOR SCHROCK: Yes.

GEORGE LAUBY: How many?

SENATOR SCHROCK: I don't know, a dozen.

GEORGE LAUBY: We heard this figure, 11 school districts without students.

SENATOR SCHROCK: I'm just being problematical here.

GEORGE LAUBY: Well, if they dissolve then the residents of that district would dissolve it. They'd vote to dissolve it.

SENATOR SCHROCK: Well, according to this, it would have to take a vote of the people to dissolve it...

GEORGE LAUBY: Well, to vote that...you're down to a school district with no students so you've got just a handful of residents out there, so they have a vote. If the majority of them want to dissolve, they will.

SENATOR SCHROCK: And if they don't dissolve, do you still (inaudible)...

GEORGE LAUBY: Well, it's...

SENATOR SCHROCK: ...it to a district with no students?

GEORGE LAUBY: I see what you're getting at.

SENATOR SCHROCK: I mean, that isn't even good state policy, I don't think. Correct me if I'm wrong. You mean the board...

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GEORGE LAUBY: Do you not trust the voters to make the decision and at that point say, well, we're not going to have a school out here. We don't have any students. I mean, I think people have that kind of commonsense...

SENATOR SCHROCK: Well, I'm just asking. What about those...

GEORGE LAUBY: Okay.

SENATOR SCHROCK: ...11 districts that don't have students? Are they not (inaudible)...

GEORGE LAUBY: Well, those 11 districts are in the process of closing or they're contracting their students to other schools already. They're not, they're just operating and raking in money off the state.

SENATOR SCHROCK: But this would change that requirement so that you have to have a vote of the people before that district would close, even though there's no students. So we could effectively have land with no students, no school, no budget, no taxes under this proposal. Am I right or wrong?

GEORGE LAUBY: I guess that theoretically that's possible. Would that be a bad thing?

SENATOR SCHROCK: I don't know (laughter). I'd like to be in that district (inaudible), George...

GEORGE LAUBY: It's possible that the district would want...the residents would want to keep that district because they foresee a population increase.

SENATOR SCHROCK: I would acknowledge that.

GEORGE LAUBY: Okay. So, if that's the case, then they just...

SENATOR SCHROCK: Doesn't take much to...

GEORGE LAUBY: ...keep their legal standings of the district so they could open a school if that would happen.

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SENATOR SCHROCK: ...wouldn't take much to have a population increase.

GEORGE LAUBY: What's that?

SENATOR SCHROCK: Well, I'm just, you know,...

GEORGE LAUBY: Yeah.

SENATOR SCHROCK: ...I'm just trying to run the traps here.

GEORGE LAUBY: That's fine.

SENATOR SCHROCK: You have a school district with no students, no budget, and no school. And I'd like to have my land in that district for what it's worth.

GEORGE LAUBY: Well, they'd still be affiliated with another district. I mean, we don't have districts that aren't taxed now. All the land is taxed in Nebraska and property taxes are paid by every landowner.

SENATOR SCHROCK: What if it's a K-12 system? All the students choice out.

GEORGE LAUBY: Well, I think that's a pretty far-fetched example, Senator, with all respect. I just, you know, I think that people of Nebraska are responsible, especially when it comes to education. I think our history has shown that. And I think one of the principles of local control is to give them some decisions to make and it makes better people. I can testify that to myself. I didn't take that much of an interest in the welfare of my neighbors' children until I got on the school board. Now I do. And I think that's one of the beautiful things about local control. We become responsible when we are given responsibilities to execute. I haven't run into anybody yet that say they want to gouge the state for every penny they can get. If they did, they're a minority and they don't have any of my respect.

SENATOR RAIKES: Okay, any other questions? I don't see any. Thank you, George.

GEORGE LAUBY: Thank you.

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SENATOR RAIKES: Other proponents, LR 253CA?

MICHAEL JACOBSON: My name is Michael Jacobson, M-i-c-h-a-e-l J-a-c-o-b-s-o-n. I'm a third generation rancher and farmer from Gordon, Nebraska, with a degree in chemistry. I appear today in favor of LR 253CA. Gordon and Rushville High School in Nebraska districts were consolidated in March of 2005. The high schools were consolidated by a positive vote of the people, which was redundant because a lot of the Rushville High School students were already in attendance in the Gordon High School system. The two districts use the board-to-board petition, which is Nebraska Statute 79-415, to consolidate the junior highs. The problem with this is in the fact that we have land in both districts, and this goes back to what you were talking about earlier. And we had no voice in the makeup of the school district over in Rushville. I have problems with the way that the board is made up now because they have so many school teachers on the board and I was disturbed to read the brief that this gentleman here is union when they entered the case with the Pony Creek (sic) case that went before the Supreme Court. And, apparently, there's 25 members according to their brief, but 25,000 members of their...must be down here and not eastern Nebraska because the way I understand it, they're going to close a bunch of the schools out there. But anyway, there's a lot of hard feelings out west yet over the way it was consolidated. There was an individual that editorialized against the consolidation because he had a little girl that was going to be bussed up the road. He was threatened personally and economically. And another thing that was distasteful on the issue was that they didn't tell us about the Political Subdivision Act, which puts a \$5 million cap. The Supreme Court has already done that in the Salazar decision out in Scottsbluff. So what we have is 70 kids jumping on a bus, going up a very busy road, Highway 20, that used to be a nice, quiet, friendly road that you could get on the tractor and run up and work the field and come back. But you can't do that anymore because we have so many semis on that road, and there's a lot of wrecks on that road. But anyway, you got 70 kids getting on a big bus, being bussed to Rushville, junior high kids. And I think they're paying their bus drivers \$40 a day to drive the bus. I would ask you, you know, I don't understand why you would

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not want to give the Nebraskans the right to vote on this issue. What would it hurt? Isn't that the foundation of our democracy, the right to vote? And we were just, you know, there's a lot of people out there that feel that we didn't get the right to vote, period. And, so I would ask you to support LR 253 to allow the people to vote on this issue. Thank you very much.

SENATOR RAIKES: Thank you. Questions? Let me understand.

MICHAEL JACOBSON: Yes, sir.

SENATOR RAIKES: The Gordon Rushville merger occurred by a vote.

MICHAEL JACOBSON: That's true, on the high school, but there was a petition under LB 715 where the...

SENATOR RAIKES: So you would want to disallow that procedure.

MICHAEL JACOBSON: That's my complaint, yes. I don't understand if they're going to have a vote on the one, why they just didn't do it at the same time. And the reason probably is because there wasn't the support to do that. And with us, see, where we have property in both districts, the taxes are going to go up. They admitted that in the hearings, and so we had no control over those taxes going up on the property that's over in the other district here.

SENATOR RAIKES: So, the taxes were going to go up in both districts?

MICHAEL JACOBSON: Oh, I assume so, because Ted Turner has come out there and bought all the land up for the water, our taxes have gone up astronomically. We're taxed to death out there.

SENATOR RAIKES: Well, that would be the valuation...

MICHAEL JACOBSON: That's true.

SENATOR RAIKES: ...That wouldn't be the tax asking. Would the tax asking go up, too?

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MICHAEL JACOBSON: Oh, I would assume so. In the hearing that they had, one of the board members from Rushville said that if they thought that the people were going into this to save money, that was not the case. They weren't interested in that. So, I have no evidence...

SENATOR RAIKES: But there's a school building being closed. That's the reason for the...

MICHAEL JACOBSON: No, no, that's not true, Senator. What they did was was bring all the kids down to Gordon and put them in the high school, okay? What they're doing now, all the kids that are in Gordon, are being bussed to Rushville in the junior high level. And, of course, then with...I don't want to get into LB 126 because that's not really fair because this all happened before LB 126. But now they're going to close the Clinton school, which people are just madder than hoppers out there. It's been there since 1916. And then we had an individual come in and tell a bunch of people like my father that's been there...we've been out there since 1884 and how they're going to sell it. You know, somehow or another, we feel that those are kind of ours even though we know they're not. We've supported them forever...

SENATOR RAIKES: How many students go to this Clinton school?

MICHAEL JACOBSON: I suppose there's close to 50.

SENATOR RAIKES: And why would they close it? Or could they close it?

MICHAEL JACOBSON: Well, they will...I should have worn my t-shirt today. They made t-shirts that's "Save District 26." And I don't know, Senator.

SENATOR RAIKES: You know, I don't think there's any way...

MICHAEL JACOBSON: That's my fault. (Laugh)

SENATOR RAIKES: I don't think there's any way that school could be closed as long as there's...

MICHAEL JACOBSON: Well, all I know is that's what...

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SENATOR RAIKES: ...50 students.

MICHAEL JACOBSON: ...all I know is the bus goes from Gordon to Rushville and I just assumed they'd get more buses and take them up there. But there's an upper level and there's, I think, three teachers there, and it's been there since 1916. It used to be a high school and a grade school and junior high, but in 1955...

SENATOR RAIKES: And what you're hearing from people is that that school is going to be closed?

MICHAEL JACOBSON: Yes, under LB 126. Yes, sir.

SENATOR RAIKES: Okay.

MICHAEL JACOBSON: That's not right?

SENATOR RAIKES: I don't think so.

MICHAEL JACOBSON: Okay. What is the number, if I can ask?

SENATOR RAIKES: Five.

MICHAEL JACOBSON: Five? Why are they closing that then? So, I need to ask more questions. I'm sorry. Thank you very much.

SENATOR RAIKES: Thank you. Let's see, we're on proponents of LR 253CA. Welcome.

HOLLY GIFFORD: Good afternoon. Thank you. Too many papers here (laugh). Good afternoon. My name is Holly Gifford, G-i-f-f-o-r-d. I am a parent of a student who attends Rokeby in southwest Lancaster County. I highly value our Class I school and the education my child receives there. I have spent many hours collecting signatures on the referendum and the initiative petitions. Obviously, Legislative Resolution 253CA contains similar wording to the initiative petition. I personally have collected over 2,000 signatures, and this means that I have spoken with many citizens of the state. I've spoken with those who support for school consolidation, and I have spoken with those who do not support for school consolidation. In the beginning

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when I started this getting signatures process, I was kind of just a mother, just trying to protect her son's school. And I soon found out that I am now a public servant much like you. I am not elected, but I have had many opportunities to listen to the concerns of the citizens of this great state. The petition that I invite them to sign gives them a voice in the decision-making process. It allows them to exercise their right as the second house of the Nebraska Unicameral to a checks and balances for their one-house legislative system. Every time I go out to gather signatures I hear the same thing. Nebraska citizens want to make the local decisions for their local communities. There are many things that simply cannot be mandated by the Legislature, and just as I have heard and I know you have heard, the mandatory consolidation of schools does not settle well. Many times I have had people tell me that once their school closed, their town soon followed. These schools throughout rural Nebraska are the heartbeat of a community. We want to be able to educate our children close to our homes. We want facilities and activities available close by so that our communities can have a sense of unity and purpose. Over and over again, I have been told that the people know what's best for their local schools and communities. The Legislature and the Department of Education cannot possibly know the unique situations of schools and communities throughout Nebraska. I would just ask you to please favorably consider Legislative Resolution 253CA. Please allow the people of Nebraska to vote on these critical issues that affect their schools.

SENATOR RAIKES: Okay. Thank you, Holly. Questions? Let me ask you, now Rokeby, I believe, is that school in the town of Rokeby?

HOLLY GIFFORD: (Laugh) You might be confusing Roca with Rokeby.

SENATOR RAIKES: Probably am.

HOLLY GIFFORD: Yeah.

SENATOR RAIKES: So straighten me out.

HOLLY GIFFORD: Roca is about six miles east of Rokeby. Rokeby...

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SENATOR RAIKES: The Class I school your son attends is where?

HOLLY GIFFORD: Is in Rokeby. There is no town around it. There is a business catty-corner across the road, but there is,...

SENATOR RAIKES: So...

HOLLY GIFFORD: ...it's just out in the middle of nowhere.

SENATOR RAIKES: ...So the argument that if we close the school, it will destroy the town. At least in that particular case, doesn't apply.

HOLLY GIFFORD: Okay. When I mentioned that, what I was telling you was what I have heard when I was out gathering signatures...

SENATOR RAIKES: Okay.

HOLLY GIFFORD: ...from people. You know, in my particular situation (laugh), there's, you know,...we do have a wonderful community within our school and that sort of thing. But I'm telling...what I was indicating to you is what I have heard from people over and over again as I talk to people from different counties throughout the state.

SENATOR RAIKES: With the "reorg" order, the Rokeby school ends up in the Norris district. Is that right?

HOLLY GIFFORD: Correct, um-hum.

SENATOR RAIKES: And your residence is in the Rokeby school district?

HOLLY GIFFORD: We are residents of the Norris school district and we option into Rokeby.

SENATOR RAIKES: Okay. So, under the new arrangement called for by LB 126, your son could continue attending Rokeby school.

HOLLY GIFFORD: My son could continue attending Rokeby

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school, but it will no longer be a viable school. It is going to go from 42 students to 5 students. I'm not going to probably make a point (laugh) to keep a school when my...

SENATOR RAIKES: And the reason for that is that all but...

HOLLY GIFFORD: ...according to what Norris has told us, which Senator Byars alluded to a little earlier and perhaps we need to do a little more communicating with Norris, with Dr. Baker and Norris school.

SENATOR RAIKES: Well, that would suggest that 37 of the 42 students that now go there are actually residents of well, it would be neither Rokeby nor Norris. They come from other areas. Would that be true?

HOLLY GIFFORD: What Norris is telling us that even the current residents of the Rokeby school district will not have the option of going to the Rokeby attendance center, that they will have to go to the Norris campus near Firth.

SENATOR RAIKES: So, but yet you are provided that opportunity, you said.

HOLLY GIFFORD: That's what they told us. I'm not sure that's right, but that's what they told us.

SENATOR RAIKES: But does that make sense to you that you, residents not of Rokeby but of Norris, would be allowed to go to the Rokeby school, but residents of Rokeby would not be allowed to go to Rokeby?

HOLLY GIFFORD: That's why I say, there's a lot of confusion right now with that.

SENATOR RAIKES: Okay. All right, we'll work on that.

HOLLY GIFFORD: Thank you. That would be great (laugh).

SENATOR RAIKES: Thank you. Thank you for being here. Are there any other proponents for LR 253CA? Opponents?

JIM GRIESS: (Exhibit 7) Senator Raikes and members of the Education Committee, I'm Jim Griess, the executive director of the Nebraska State Education Association, G-r-i-e-s-s.

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We appear here today in opposition to this constitutional amendment. This amendment has the effect of voiding the intent of Article VII, Section 1 of the Nebraska Constitution which provides, in part, "The Legislature shall provide for the free instruction in the common schools of this state of all persons between the ages of 5 and 21." That language places governance of Nebraska's school systems squarely in the hands of the Nebraska Legislature. If an amendment repealing this education clause were proposed, I believe it would receive little support. But in reality, LR 253CA has that effect. Article VII, Section 1 is about providing a high quality, relevant 21st century education for all Nebraska students regardless of race, ethnicity, place of residence, or socioeconomic status of our children. That responsibility and authority clearly rests at the state level for good cause. If a minority of local voters can deny an action of the Legislature in governing the state's public school policy, then the authority of governance of our school system shifts from the Legislature to a small segment of local voters. In a state that values local control, why is that a bad idea? Because it can result in inequitable educational opportunity for our children. The motives of local voters for maintaining a particular school district configuration may be noble, or they may be based on economic gains such as sending your kids to one school district and keeping your property in another district. It can be based on tax advantage or racial or ethnic issues that are totally contrary to the best interests of children. That is why the framers of our constitution gave this authority to the Legislature and not to local school districts. As it relates to taxpayers, this amendment would force the retention of some school districts at the expense of other taxpayers. A school district could be retained by local voters under its provisions, even though the district had no viable educational or financial reason to exist. This amendment would effectively negate the authority of this Legislature from intervening into local situations where a school organization negatively impacts the interests of children. In essence, a small minority of the state's population could thwart the state's constitution and its interests in guaranteeing every child a high quality 21st century education. This proposal is bad public policy and needs to be indefinitely postponed. It's clearly not in the best interests of Nebraska's children.

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SENATOR RAIKES: Thank you, Jim. Questions for Jim? I see none. Thank you.

JIM GRIESS: Thank you.

SENATOR RAIKES: Any other opponent testimony, LR 253CA? Is there any neutral testimony? Senator Hudkins, to close.

SENATOR HUDKINS: Thank you, Senator Raikes. I have several questions that I will attempt to answer. And your question of me in my opening asked about boundaries changing and would this bill affect that? No, this bill would say that the transfer of a parcel of land from one school district to another at the request of the landowner doesn't constitute dissolution, affiliation, or merger. So, if the...well, just what I said, I'll leave it at that. And, Senator Schrock, I'm glad you're back because you had a question on a school with no students would have to have a vote. No, if you would look at line 8 and 9 in the bill on page 1, it says, no school district which has students shall be dissolved or affiliated unless there's a vote. If there's no students, it is not applicable. Senator Stuhr, I agree with you that closing a school and, as you did in our county, was a local decision. The same way with Senator Baker's area. He said that he no longer has Class I's. Those schools closed years ago, but it was a local decision. Those Class I schools voted themselves to go somewhere else, and we're not totally, Senator Stuhr, a representative government. Nebraska does reserve the right of initiative, referendum, and recall to the people and that's what's going on right now are the petitions to address this particular issue and also LB 126. Approximately 20 school districts are closing a year of their own volition, and I see no reason to doubt that that won't continue until the ones that are no longer viable will be closed. Last summer I had an opportunity to visit, I believe it was called Goose Creek School by Valentine. They are threatened with being consolidated with Valentine...

LARRY HUDKINS: (off-mic) And Thedford.

SENATOR HUDKINS: ...and Thedford. They, of course, don't want to do that. Not only are the distances great out there, but it is going to cost more money in this case. We were told by the individuals at that school that they had

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someone from the State Board of Education come out and inspect their school and everything was fine except for the lighting. They didn't have enough lighting that was supposed to be for the children's best advantage. Even though they had windows, they still needed more lighting. They asked what it would cost if they were a member of the Valentine school district, what it would cost to replace that lighting. And there was a contractor contacted, and he said, oh, because of the time involved and the fixtures involved and everything, it would be about \$3,500. There was an individual in Goose Creek School who is a licensed electrician. He said, I can do it for \$350. So you're looking at over \$3,000 in increased costs simply because you no longer have the volunteer efforts. Oak Valley is a school north of Lincoln. It is affiliated with Malcolm, and as much as I hate to, I'm going to disagree with Mr. Griess again. The schools that are affiliated with a larger school, there is no tax advantage anymore. And I would ask Mr. Griess if he could list schools that are not getting a quality education. If he can, then those are the ones that the State Board of Education needs to go after. But Oak Valley School and I'm just listing that one because that's the one I know, it has been recognized nationally as one of the most...one of the top two efficient schools in the country. And now because of the pressures that be, it is going to be merged with another school. And as we are learning, the increased costs of merging these schools are starting to come out. We heard earlier about the volunteer groundsman who lost his job. He probably loved being out there playing in the dirt and planting the flowers and trimming the trees. He was let go. How do you fire someone from a volunteer job is what I wanted to know? But now they're going to have to hire someone to do that same job that he was doing. There are going to be increased bussing, and so the people that have their own schools that are viable, they want the opportunity of saying, we understand what you're trying to do. We appreciate your efforts, but no, thank you.

SENATOR RAIKES: One other question, if I might, so one of the premises of organization statutes in the state is that the school district boundary can move with the city. And in the case of Lincoln, that has been the case. So, with this constitutional amendment, would that mean that every time the city of Lincoln annexed property, the Lincoln public

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school district could only continue being coterminous with that boundary if there were a vote of the people?

SENATOR HUDKINS: No. In that case, Senator Raikes, Lincoln has the policy, it was in law for Omaha and they chose not to do it. There is a policy in Lincoln when they annex territory, the land that is annexed, whatever school district it is in, goes then into the Lincoln public school system. You and I worked on the annexation of Kawasaki a few years ago, and Lincoln was able to annex a company that had an assessed valuation of 400 "bazillion" dollars, I don't know how much it was. And they were able to annex because there was a water problem. Kawasaki had their own wells, but because of the heavy metals that they used in their manufacturing, they had some problems with the EPA on getting rid of the pollutants, so they asked to be on Lincoln city water. Lincoln has a policy of, if you're on our water and on our sewer system, that's what they wanted was the sewer, not the water. And Lincoln has the policy that if you're on our sewer system or water system, then you will be annexed. So Lincoln got this \$400 million valuation and not one student. Senator Raikes was very kind and helped me get this through that because the state aid to education is done a year in arrears, there was kind of a pass-through for this one year. And then, theoretically, Malcolm would have been made whole again, didn't work that way because state aid was cut because of the crunch in money. Now, can that happen again? Yeah, probably. So, I don't know if I answered your question.

SENATOR RAIKES: Well, my question was whether or not a policy that you've, I think, accurately described would be allowed to continue if this were part of the constitution. In other words, unless you had whatever residents of the area annexed that would agree to vote to change school districts?

SENATOR HUDKINS: Which bill wins? I don't know because we already have the policy that if you're annexed, you go. Now, is that...I don't know. I still don't know from prior.

SENATOR RAIKES: Okay. Senator Kopplin.

SENATOR KOPPLIN: Try to clear this up in my mind, if you can,...

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SENATOR HUDKINS: Please (laugh).

SENATOR KOPPLIN: ...I don't know. OPS's movements were based on law. Lincoln's annexation, you're saying it's based on policy. Is it policy or is it law?

SENATOR HUDKINS: Well, Omaha is saying that they had the authority to do it all along, they just didn't.

SENATOR KOPPLIN: Yes, it says, Class V but Lincoln is a Class IV, so.

SENATOR HUDKINS: Mr. Horne is here...

SENATOR KOPPLIN: I'll have to...

SENATOR HUDKINS: ...you can ask him. He would know (laugh).

SENATOR KOPPLIN: Okay, thank you very much.

SENATOR RAIKES: Senator Schrock.

SENATOR SCHROCK: I'm going to be gone next year due to term limits, but you're going to be here and Senator Raikes is going to be here. And it just occurred to me, I don't know if the state should get involved in this or not. I don't know how your constitutional amendment affects it, but I think Campbell is affiliated with five different school districts in the city of Campbell. It used to be a Class I. I believe busses from Franklin, Hildreth, Wilcox, Minden, Silver Lake, Red Cloud, and even maybe Blue Hill send busses there every morning. And with the price of diesel fuel, you can imagine what that costs. And I'll bet there isn't over 15 students in the whole town. Now, should the state get involved in that or what should happen there? I don't know what should happen there. Obviously, nothing has happened, but if you want to look at efficiencies and cost savings, something probably could be done. And I don't think your constitutional amendment affects that, but...

SENATOR HUDKINS: No, we have...

SENATOR SCHROCK: ...just in case you wanted one more thing

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to worry about.

SENATOR HUDKINS: Thank you, I appreciate that. We have the same situation up by Branched Oak Lake. There is at least one road and perhaps more, I just know of one, that the Malcolm school district, the Seward school district, and the Raymond school district all send busses up the same road because that just happens to be where the boundary lines are. So, I don't know. Can schools have interlocal agreements? I don't know. And, you know, we're all trying to make things as efficient as possible, as fair as possible, and to educate these children. We do have an option law in the state of Nebraska, and for several schools to say, well, you were an option student in this school and we'll no longer allow you to do that. I think that's wrong, but then we'll see.

SENATOR RAIKES: Okay. I see no other questions.

SENATOR HUDKINS: Thank you.

SENATOR RAIKES: Thank you, Senator. That will conclude our hearing on LR 253CA and it will conclude our hearings for this afternoon and for the season, I guess. Thank you for being here. (see also Exhibit 8, individuals present that did not testify but wish to indicate a position)